

MAILING INDUSTRY TASK FORCE

Improve Address Quality

Recommendation Recap

The October 2001 report of the Mailing Industry Task Force recommended reducing undeliverable mail by improving address quality and by providing a “feedback loop” that captures and reports addressing errors.

The Task Force developed a strategic vision for its address quality initiatives that encompassed customer expectations for more control over their mail and its delivery, increased response rates for sales and marketing mail, and reduced mailing costs. The Postal Service’s costs associated with Undeliverable-As-Addressed (UAA) mail totalled \$1.9 billion each year, and the Task Force estimated that industry costs are two times that amount. The Task Force narrowed its focus on how best to improve the processes used by mailers and the Postal Service to create quality address databases and to ensure that their use is most effectively and efficiently leveraged by Postal Service operations procedures and programs.

After reporting progress on testing the database of the National Change of Address system, on development of a plan for the Postal Service’s Postal Automated Redirection System (PARS), and on the need for process improvements associated with Move Update, the USPS Address Correction Service (ACS) and the Change of Address card, the Task Force over the past six months has concentrated on implementation of programs to drive process improvement. In January, Postmaster General John E. Potter announced the appointment of Charles Bravo as the Senior Vice President for Intelligent Mail and Address Quality, signalling a new corporate emphasis on both areas of activity.

“The commitment of the Postal Service to improve address quality remains strong,” commented Acxiom Company Leader Charles Morgan. “The level of collaboration with the Task Force is very high, and the product of that cooperation will benefit all mailers.”

USPS/INDUSTRY PROGRESS

- ✓ *Analyzed NCOA Data Test*
- ✓ *Promote USPS COA Process Improvements*
- ✓ *Develop Training Materials for USPS Field Operations*
- ✓ *Promote Internet Change of Address*
- ✓ *Publish Move Update Federal Register Notice*
- ✓ *Implement ACS Preprint Option*
- ✓ *Improve Electronics ACS Process At Computerized Forwarding System (CFS) Sites*
- ✓ *Publish Addressing “Hot Tips” for the Public*

NCOA Quality Test Analysis and Initiatives. Following a 500,000-letter test mailing last September to consumers who had recently moved, the Postal Service and the Task Force analyzed the responses from the survey, and developed several initiatives based upon the collected data. Among the initiatives coming out of the survey analysis were:

- *Modifying Existing COA Form PS 3575.* This program has led to a redesigned form focusing on clarity of instructions and definitions, reducing clutter on the form and providing guidance to the customer in completing the form. Special emphasis will be placed on defining a ‘move’.
- *Creating a New COA Form PS 3575.* A revised PS Form 3575 will be implemented this fall, and will be scannable by PARS equipment and easier for customers to use and understand.
- *Revising the COA Confirmation Letter.* In process and expected to have been presented to the Gallup focus groups in Spring. The intent is to make it more user-friendly and easier to understand, with better explanations regarding the definition of family, individual and business moves, as well as definitions for permanent and temporary moves.



- *A Need for Additional Focus Groups.* Customer input is proving a valuable tool in identifying opportunities for further process improvement.

Continue Training USPS Field Operation in ACS Processes. CFS and Delivery operations have been tasked to develop a training package for employees who handle ACS mail. Employees will learn what ACS is and looks like. The importance of getting ACS mail to CFS will also be stressed, in terms of building an enhanced feedback loop to mailers. The goal is to get all ACS mail properly routed to CFS for electronic instead of manual fulfillment. Continuous training will be provided to update field operations.

Promote Internet Change of Address. The Task Force and the Postal Service identified a need to announce the availability of filing Change of Address (COA) on the internet. An article was placed in "Retail Talk", a newsletter for window clerks, that provided details on how customers can access usps.com and file their COA. As part of this initiative, all USPS Point of Sale (POS) cash registers now have a message screen that appears when the computer is first 'booted' in the morning reminding them that ICOA is available and to suggest it to customers. Also, Delivery Supervisors are sent an ICOA message that pops up on their logon screens as well. In addition, the Task Force has encouraged the Postal Service to explore alternatives to the Internet fee for filing COAs.

Created a Federal Register Notice on the Move Update Requirements. The notice was published in the May 31, 2002 Federal Register with a 90-day comment period. The implementation of the change will take place no sooner than 18 months from the posting of the final rule. The Task Force has been told that the Postal Service believes it may be necessary to tie this in with the Product Redesign effort. The proposed final rules have been crafted. Before being published, the Postal Service will review the Undeliverable-as-Addressed (UAA) cost data to assess the impact of the address quality initiatives on the mailing industry and the Postal Service. Plans call for the Federal Register Notice to be published this spring after the UAA cost issue has been fully reviewed.

Implemented Pre-printing of ACS Codes on Envelopes and Other ACS Process Improvement Initiatives. The Task Force and the Postal Service agreed this would be fully consistent with PARS and CFS Operations. An October 3, 2002 issue of the Postal Bulletin stated that the pre-printing of the ACS participant code on envelopes was allowed and has been referenced in the DMM. In addition, the Task Force worked with the Postal Service on how better to communicate ACS improvements. Among these efforts were:

- *Articles in Targeted Publications about the ACS/ DMM Notice.* Articles have appeared in *Memo to Mailer*, *Mailers Companion*, *Let's Talk Retail*, USPS News, and through other media.
- *ACS CD Rom.* The Postal Service's National Customer Support Center (NCSC) has produced a CD — a new ACS customer product for small to medium mailers. This new product allows them to receive their COA information electronically on a CD, from which they can print and view for manual update. Normal ACS charges apply. This is a great savings for small and medium sized mailers since it reduces the normal manual fee of \$.70 to the ACS fee of \$.20.

Improve Electronic ACS Process at Computerized Forwarding System (CFS) sites. The Task Force found that a significant percentage of properly endorsed pieces are apparently not being sent to the CFS unit for ACS return and thus are being manually returned in error at a higher cost to both the USPS and mailer. A profile of processing locations with a higher percentage of electronic returns and of those with a low percentage of electronic returns was created to learn what needs to be fixed. Feedback will be provided to improve operations and the associated electronic return rate. A remedial training program will be developed and conducted by delivery operations. This process improvement, in turn, has led to an effort to: *Better Communicate ACS Information between CFS Sites and Mailers to Improve Performance.* A need was identified to improve the communications between the CFS sites and mailers to share the ACS errors they find and to improve the quality of ACS codes being used. A process is being set up to centralize the reporting of ACS

mailer efficiencies at the NCSC. Each CFS site will identify ACS deficient/erroneous pieces and provide feedback to the NCSC for posting on the Business Service Network (BSN). The NCSC will coordinate resolutions of the deficiency with the ACS customer.

Published Addressing "Hot Tips". Task Force members will work with the NCSC to prepare a list of "hot tips" for mailers seeking to take maximum advantage of the products, services and techniques being used by the industry and USPS to improve address quality.

"Feedback Loop" Development. The Postal Automated Redirection System (PARS) – a letter mail-only system - is scheduled for production deployment in Fall 2003, with full deployment to take two-to-three years.

FUTURE ACTIONS

The Task Force will support the following next steps:

- Still plan to conduct a second NCOA test mailing after a recommendation-implementation period, to assess the effect of the proposed changes on the system.
- Encourage the Postal Service to test commercially-available databases to support enhanced address quality.
- Help assess focus group results in regards to the COA form.
- Support development of a premium forwarding program for "snowbirds" and other targeted customer segments.
- Ensure that industry input on the Federal Register Notice's proposed rules and regulations for COA software updates is given full consideration and is reflected in the new regulations when enacted.
- Support ongoing efforts to improve processes relating to Change of Address and Address Correction Service.

ADDRESS QUALITY COMMITTEE MEMBERSHIP

The Task Force subcommittee on address quality has members representing Acxiom, Prudential Financial, Bank of America, BankOne Card Services, Lubenow & Associates, Progressive Insurance, Pitney Bowes, Quebecor World, and Time Customer Service, Inc. The committee is co-chaired by Charles Morgan, Company Leader of Acxiom, and Postal Service Senior Vice President Intelligent Mail & Address Quality, Charles Bravo.